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FM AMEMBASSY ANKARA  
TO RUEHC/SECSTATE WASHDC PRIORITY 2780  
INFO RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY  
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY  
RUCPDOG/DEPT OF COMMERCE WASHDC PRIORITY  
RUEHBS/USEU BRUSSELS PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 ANKARA 001660

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E.O. 12958: DECL: 06/27/2017  
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SUBJECT: TURKEY UNSATISFIED WITH CURRENT STATE OF EU  
NEGOTIATIONS

Classified By: Acting Polcouns Kelly Degnan, Reasons 1.4 b, d

11. (C) SUMMARY. Turkey received the June 26 EU decision to open only two negotiating chapters rather than three with calm frustration. Turkish negotiators and business representatives reject the EU's technical justifications presented for not opening the economic and monetary union chapter, arguing that the European Commission (EC) had reported that Turkey met the necessary criteria. Turkey is determined to open the chapter during the Portuguese presidency. Turkey is anticipating the December EU summit with trepidation, and is prepared to respond firmly to a rejection of its membership aspirations both bilaterally and in its relations with the EU as a whole. END SUMMARY.

12. (C) We met with Ahmet Aydin Dogan, Political Affairs Department Head at the Prime Ministry's EU Affairs Secretariat, to discuss the GOT reactions to the June 26

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Accession Conference. Echoing press statements by Turkey's Chief Negotiator and Minister of Economy Ali Babacan, Dogan strongly criticized the failure to open the economic and monetary union chapter, despite German pledges to do so. The GOT is unsettled by the transparency of the political motivation behind the decision. While French opposition to Turkey's accession is well-known, the German decision to pull the chapter from the agenda in the face of a French veto threat stood in direct contradiction to the EC recommendation that Turkey meets the criteria for opening that chapter. (Opening the economic and monetary union chapter is largely symbolic since it cannot be closed until the eve of accession, when the EU determines whether a candidate country's macroeconomic framework is ready for transition to monetary union.) While GOT officials reserve their most serious criticism for France, they strongly contend that other EU members states must object to the union's violations of its own agreements and obligations. The GOT intends to pursue the opening of this chapter again during the Portuguese presidency.

13. (C) Despite the setback, Turkey is signaling that it intends to continue with its harmonization efforts. Speaking just before news of the decision became public, Babacan said, "Regardless of what chapters are opened or what chapters remain closed, we will integrate our legislation as soon as possible, and we will wait." While the EC delegation in Ankara is also frustrated, one contact there told us that they are not yet alarmed; the two sides are making progress on a range of technical issues and will need to focus on the two opened chapters, financial control and statistics.

14. (C) Dogan stressed that, for Turkey, the accession process is as important as membership. Turkey does not want

to be told in December that the door is closed, though clearly the outcome on membership is not pre-ordained. They are prepared for a long process. The EU, he said, will lose its capacity to influence domestic reforms in Turkey, while alternative partnerships or unions will do nothing to solve the most important conflicts facing Turkey and the EU, notably Cyprus. Dogan said that, following Turkey's July 22 general election, the GOT's EU negotiators will present to the new government a short and medium-term "to- do list," with the aim of influencing the EU's next progress report on Turkey. The GOT will also propose to Brussels an enhanced mechanism for monitoring Turkey's implementation of reforms.

15. (C) According to Dogan, Turkey will, for political reasons, have to respond seriously -- both bilaterally and to the EU as a whole -- to an EU decision in December to limit Europe's southeastern borders at Greece and Bulgaria. If this occurs, he anticipates the bilateral relationship with France will deteriorate beyond what has already occurred as a result of the French parliament's recognition of an Armenian genocide. EU cooperation on issues such as energy would also suffer. Dogan suggested that exclusion would force Turkey to replace its customs union with the EU with, at a minimum, a free-trade agreement. He conceded, however, that Turkey's ability to respond through trade measures is limited.

16. (C) COMMENT. Despite growing pessimism, Turkish officials and business representatives are so far unwilling to accept that Turkey's EU aspirations might be extinguished. This latest disappointment, however, fuels anti-EU public sentiment and skepticism that the process, though shaky, is on track. Our contacts are clear that an EU decision to stop the process would not only deal a serious blow to political and economic reform here, but also threaten to degrade Turkey's economic, political and military relations with Europe. END COMMENT.

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